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DEPARTMENT OF COMMERCE

International Trade Administration

(A-533-863)

Certain Corrosion-Resistant Steel Products from India: Final Determination of Sales at Less Than Fair Value and Final Negative Determination of Critical Circumstances

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (“the Department”) determines that certain corrosion-resistant steel products (“corrosion-resistant steel”) from India is being, or is likely to be, sold in the United States at less than fair value (“LTFV”), as provided in section 735(a) of the Tariff Act of 1930, as amended (“the Act”). The period of investigation (“POI”) is April 1, 2014, through March 31, 2015. The final dumping margins of sales at LTFV are listed below in the “Final Determination” section of this notice.

DSTES: Effective Date: (Insert date of publication in the Federal Register.)

FOR FURTHER INFORMATION CONTACT: Kabir Archuletta or Ryan Mullen, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2593 or (202) 482-5260, respectively.

## SUPPLEMENTARY INFORMATION:

### Background

On January 4, 2016, the Department published the Preliminary Determination of this antidumping duty (“AD”) investigation.<sup>1</sup> The following events occurred since the Preliminary Determination was issued.

In April 2016, the Department received revised databases from JSW<sup>2</sup> and Uttam Galva Steels Ltd. (“Uttam Galva”), the mandatory respondents in this investigation.

Additionally, in April 2016, Petitioners,<sup>3</sup> JSW, and Uttam Galva submitted case briefs<sup>4</sup> and rebuttal briefs.<sup>5</sup> A hearing was held on May 4, 2016.

Also, as explained in the memorandum from the Acting Assistant Secretary for Enforcement and Compliance, the Department exercised its authority to toll all administrative deadlines due to the recent closure of the Federal Government.<sup>6</sup> As a consequence, all deadlines in this segment of the proceeding have been extended by four business days. The revised deadline for the final results is now May 24, 2016.

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<sup>1</sup> See Certain Corrosion-Resistant Steel Products from India: Affirmative Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination, 81 FR 63 (January 4, 2016) (“Preliminary Determination”).

<sup>2</sup> We refer to JSW Steel Ltd. (“JSWSL”) and its wholly-owned affiliate JSW Steel Coated Products Limited (“JSCPL”) collectively as “JSW.”

<sup>3</sup> Petitioners are United States Steel Corporation, Nucor Corporation, ArcelorMittal USA, AK Steel Corporation, Steel Dynamics, Inc., and California Steel Industries, Inc.

<sup>4</sup> See Letter to the Secretary of Commerce from Petitioners, “Case Brief of Petitioners” (April 18, 2016); Letter to the Secretary of Commerce from JSW, “JSW’s Resubmitted Case Brief” (April 21, 2016); and Letter to the Secretary of Commerce from Uttam Galva, “Uttam Galva Steels Limited’s Case Brief” (April 19, 2016).

<sup>5</sup> See Letter to the Secretary of Commerce from Petitioners, “Petitioners’ Rebuttal Brief” (April 25, 2016); Letter to the Secretary of Commerce from JSW, “JSW’s Rebuttal Brief” (April 25, 2016); and Letter to the Secretary of Commerce from Uttam Galva, “Uttam Galva Steels Limited’s Rebuttal Brief” (April 25, 2016).

<sup>6</sup> See Memorandum to the File from Ron Lorentzen, Acting A/S for Enforcement & Compliance, “Tolling of Administrative Deadlines As a Result of the Government Closure During Snowstorm Jonas” dated January 27, 2016.

### Scope of the Investigation

The product covered by this investigation is corrosion-resistant steel from the India. For a complete description of the scope of this investigation, *see* the “Scope of the Investigation,” in Appendix I of this notice.

### Scope Comments

In accordance with the Preliminary Scope Determination<sup>7</sup>, the Department set aside a period of time for parties to address scope issues in case briefs or other written comments on scope issues.

For a summary of the product coverage comments and rebuttal responses submitted to the record of this final determination, and accompanying discussion and analysis of all comments timely received, *see* the Final Scope Decision Memorandum.<sup>8</sup> The Final Scope Decision Memorandum is incorporated by, and hereby adopted by, this notice.

### Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties in this investigation are addressed in the Issues and Decision Memorandum, which is hereby adopted by this notice.<sup>9</sup> A list of the issues raised is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System

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<sup>7</sup> *See* Memorandum to Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Certain Corrosion-Resistant Steel Products From the People’s Republic of China, India, Italy, the Republic of Korea, and Taiwan: Scope Comments Decision Memorandum for the Preliminary Determinations,” dated December 21, 2015 (“Preliminary Scope Decision Memorandum”). *See also* Memorandum to the File, “Certain Corrosion-Resistant Steel Products From the People’s Republic of China, India, Italy, the Republic of Korea, and Taiwan: Correction to Preliminary Determination Scope Memorandum,” dated January 29, 2016.

<sup>8</sup> *See* Memorandum to Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, “Scope Comments Decision Memorandum for the Final Determinations,” dated concurrently with this notice.

<sup>9</sup> *See* Memorandum to Paul Piquado, Assistant Secretary for Enforcement and Compliance, from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations “Issues and Decision Memorandum for the Final Determination of the Antidumping Duty Investigation of Certain Corrosion-Resistant Steel Products from India” (May 24, 2016) (“Issues and Decision Memorandum”).

(“ACCESS”). ACCESS is available to registered users at <https://access.trade.gov> and it is available to all parties in the Central Records Unit, room B-8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

### Verification

As provided in section 782(i) of the Act, in January, February, and March 2016, the Department verified the sales and cost data reported by the mandatory respondents, pursuant to section 782(i) of the Act. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by Respondents.<sup>10</sup>

### Changes Since the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for JSW and Uttam Galva. For a discussion of these changes, see the “Margin Calculations” and “Comparisons to Fair Value” sections of the Issues and Decision Memorandum. We have also revised the all-others rate.

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<sup>10</sup>See Memorandum to the File, through Neal Halper, Office Director, and Peter Scholl, Lead Accountant, from Ji Young Oh, Senior Accountant, “Verification of the Cost Response of JSW Steel Limited and JSW Steel Coated Products Limited in the Antidumping Duty Investigation of Certain Corrosion-Resistant Steel Flat Products from India” (April 7, 2016); Memorandum to the File, through Neal Halper, Office Director, and Peter Scholl, Lead Accountant, from Alma Sepulveda, Senior Accountant, and Laurens van Houten, Senior Accountant, “Verification of the Cost Response of Uttam Galva Steels Limited in the Antidumping Duty Investigation of Certain Corrosion-Resistant Steel Flat Products from India” (March 23, 2016); Memorandum to the File, through Catherine Bertrand, Program Manager, Office V, from Kabir Archuleta, Senior International Trade Analyst, Ryan Mullen, International Trade Analyst, and Jessica Weeks, International Trade Analyst, “Verification of JSW Steel Ltd. and JSW Coated Steel Products in the Antidumping Duty Investigation of Certain Corrosion-Resistant Steel from India” (April 7, 2016); Memorandum to the File, through Catherine Bertrand, Program Manager, Office V, from Ryan Mullen, International Trade Analyst, “Verification of Home Market and U.S. Sales of Uttam Galva Steels Limited in the Antidumping Duty Investigation of Certain Corrosion-Resistant Steel Products from India” (April 7, 2016); and Memorandum to the File, through Catherine Bertrand, Program Manager, Office V, from Ryan Mullen, International Trade Analyst, “Verification of U.S. Sales of Uttam Galva North America in the Antidumping Duty Investigation of Certain Corrosion-Resistant Steel Products from India” (April 7, 2016).

### All-Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated all-others rate shall be an amount equal to the weighted-average of the estimated weighted-average dumping margins established for exporters and producers individually investigated excluding any zero or de minimis margins, and margins determined entirely under section 776 of the Act. Therefore, we calculated the all-others rate based on a weighted average of the dumping margins calculated for the mandatory respondents using each company's publicly-ranged values for the merchandise under consideration.<sup>11</sup>

### Final Determination

The Department determines that the final weighted-average dumping margins are as follows:

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<sup>11</sup> With two respondents, we would normally calculate (A) a weighted-average of the dumping margins calculated for the mandatory respondents; (B) a simple average of the dumping margins calculated for the mandatory respondents; and (C) a weighted-average of the dumping margins calculated for the mandatory respondents using each company's publicly-ranged values for the merchandise under consideration. We would compare (B) and (C) to (A) and select the rate closest to (A) as the most appropriate rate for all other companies. See Ball Bearings and Parts Thereof From France, Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part, 75 FR 53661, 53663 (September 1, 2010).

Exporter/Producer	Weighted-Average Margin
JSW: <sup>12</sup> JSW Steel Ltd. JSW Coated Products Limited	4.44 percent
Uttam Galva: <sup>13</sup> Uttam Galva Steels Limited Uttam Value Steels Limited Atlantis International Services Company Ltd. Uttam Galva Steels, Netherlands, B.V. Uttam Galva Steels (BVI) Limited	3.05 percent
All-Others	3.86 percent

### Disclosure

We will disclose the calculations performed to interested parties within five days of the public announcement of this final determination in accordance with 19 CFR 351.224(b).

### Final Negative Determination of Critical Circumstances

On October 29, 2015, the Department found that critical circumstances do not exist for imports exported by JSW, Uttam Galva, and “all others.”<sup>14</sup> Based on the final dumping margins of JSW and Uttam Galva and further analysis following the Preliminary Critical Circumstances Determination, we are not modifying our findings for the final determination. For a complete

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<sup>12</sup> We find JSWSL and its wholly-owned affiliated JSCPL, (collectively “JSW”) are affiliated and have met the criteria to be collapsed. See Memorandum to the File, through Catherine Bertrand, Program Manager, Enforcement and Compliance, Office V, from Kabir Archuletta, Senior International Trade Analyst, Enforcement and Compliance, Office V, “Antidumping Duty Investigation of Certain Corrosion Resistant Steel Products from India: JSW Affiliation and Collapsing Memorandum,” dated concurrently with this determination. Therefore, we will assign one rate to these companies.

<sup>13</sup> We find Uttam Galva to be affiliated with these companies and that they have met the criteria to be treated as a single entity. For further discussion of this issue, which includes business proprietary information, see Memorandum to James C. Doyle, Director, Office V, through Catherine Bertrand, Program Manager, Office V, from Ryan Mullen, International Trade Analyst, Office V, “Antidumping Duty Investigation of Certain Corrosion Resistant Steel Products from India: Uttam Galva Affiliation and Single Entity Memorandum,” dated concurrently with this determination. Therefore, we will assign one rate to these companies.

<sup>14</sup> See Antidumping and Countervailing Duty Investigations of Corrosion-Resistant Steel Products from India, Italy, the People’s Republic of China, the Republic of Korea, and Taiwan: Preliminary Determination of Critical Circumstances, 80 FR 68504, (November 5, 2015).

discussion of this issue, see the “Negative Finding of Critical Circumstances” section of the Issues and Decision Memorandum.

#### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (“CBP”) to continue to suspend liquidation of all appropriate entries of corrosion-resistant steel from India, as described in Appendix I of this notice, which were entered, or withdrawn from warehouse, for consumption on or after January 4, 2016, the date of publication of the Preliminary Determination of this investigation in the Federal Register.

Further, CBP shall require a cash deposit equal to the estimated amount by which the normal value exceeds the U.S. price, as follows: (1) for the exporters/producers listed in the table above, the cash deposit rates will be equal to the dumping margin which the Department determined in this final determination; (2) if the exporter is not a firm identified in this investigation but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 4.03 percent. These instructions suspending liquidation will remain in effect until further notice.

Pursuant to section 733 (d)(1)(B) of the Act and 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit equal to the weighted-average amount by which the NV exceeds U.S. price as indicated in the chart above,<sup>15</sup> adjusted where appropriate for export subsidies,<sup>16</sup> as follows: (1) the rate for JSW, when adjusted for export subsidies, is 0.49 percent; (2) the rate for Uttam Galva, when adjusted for export subsidies, is 0.00 percent; (3) the rate for all other producers or exporters, when adjusted for export subsidies, is 0.00 percent.

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<sup>15</sup> See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

<sup>16</sup> See section 772(c)(1)(C) of the Act. Unlike in administrative reviews, the Department calculates the adjustment for export subsidies in investigations not in the margin calculation program, but in the cash deposit instructions issued to CBP. See Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India, 71 FR 45012 (August 8, 2006), and accompanying Issues and Decision Memorandum at Comment 1.

The instructions suspending liquidation will remain in effect until further notice.

#### ITC Notification

In accordance with section 735(d) of the Act, we will notify the ITC of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of corrosion-resistant steel from India no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated and all cash deposits will be refunded. If the ITC determines that such injury does exist, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

#### Notification Regarding Administrative Protective Orders (“APO”)

This notice serves as a reminder to parties subject to APO of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.



This determination and this notice are issued and published pursuant to sections 735(d) and 777(i)(1) of the Act.

Dated: May 24, 2016.

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Paul Piquado  
Assistant Secretary  
for Enforcement and Compliance

## Appendix I

### Scope of the Investigation

The products covered by this investigation are certain flat-rolled steel products, either clad, plated, or coated with corrosion-resistant metals such as zinc, aluminum, or zinc-, aluminum-, nickel- or iron-based alloys, whether or not corrugated or painted, varnished, laminated, or coated with plastics or other non-metallic substances in addition to the metallic coating. The products covered include coils that have a width of 12.7 mm or greater, regardless of form of coil (*e.g.*, in successively superimposed layers, spirally oscillating, *etc.*). The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness less than 4.75 mm and a width that is 12.7 mm or greater and that measures at least 10 times the thickness. The products covered also include products not in coils (*e.g.*, in straight lengths) of a thickness of 4.75 mm or more and a width exceeding 150 mm and measuring at least twice the thickness. The products described above may be rectangular, square, circular, or other shape and include products of either rectangular or non-rectangular cross-section where such cross-section is achieved subsequent to the rolling process, *i.e.*, products which have been “worked after rolling” (*e.g.*, products which have been beveled or rounded at the edges). For purposes of the width and thickness requirements referenced above:

- (1) where the nominal and actual measurements vary, a product is within the scope if application of either the nominal or actual measurement would place it within the scope based on the definitions set forth above, and
- (2) where the width and thickness vary for a specific product (*e.g.*, the thickness of certain products with non-rectangular cross-section, the width of certain products with non-rectangular shape, *etc.*), the measurement at its greatest width or thickness applies.

Steel products included in the scope of this investigation are products in which: (1) iron predominates, by weight, over each of the other contained elements; (2) the carbon content is 2 percent or less, by weight; and (3) none of the elements listed below exceeds the quantity, by weight, respectively indicated:

- 2.50 percent of manganese, or
- 3.30 percent of silicon, or
- 1.50 percent of copper, or
- 1.50 percent of aluminum, or
- 1.25 percent of chromium, or
- 0.30 percent of cobalt, or
- 0.40 percent of lead, or
- 2.00 percent of nickel, or
- 0.30 percent of tungsten (also called wolfram), or
- 0.80 percent of molybdenum, or
- 0.10 percent of niobium (also called columbium), or
- 0.30 percent of vanadium, or
- 0.30 percent of zirconium

Unless specifically excluded, products are included in this scope regardless of levels of boron and titanium.

For example, specifically included in this scope are vacuum degassed, fully stabilized (commonly referred to as interstitial-free (“IF”)) steels and high strength low alloy (“HSLA”) steels. IF steels are recognized as low carbon steels with micro-alloying levels of elements such as titanium and/or niobium added to stabilize carbon and nitrogen elements. HSLA steels are recognized as steels with micro-alloying levels of elements such as chromium, copper, niobium, titanium, vanadium, and molybdenum.

Furthermore, this scope also includes Advanced High Strength Steels (“AHSS”) and Ultra High Strength Steels (“UHSS”), both of which are considered high tensile strength and high elongation steels.

Subject merchandise also includes corrosion-resistant steel that has been further processed in a third country, including but not limited to annealing, tempering, painting, varnishing, trimming, cutting, punching and/or slitting or any other processing that would not otherwise remove the merchandise from the scope of the investigation if performed in the country of manufacture of the in-scope corrosion resistant steel.

All products that meet the written physical description, and in which the chemistry quantities do not exceed any one of the noted element levels listed above, are within the scope of this investigation unless specifically excluded. The following products are outside of and/or specifically excluded from the scope of this investigation:

- Flat-rolled steel products either plated or coated with tin, lead, chromium, chromium oxides, both tin and lead (“terne plate”), or both chromium and chromium oxides (“tin free steel”), whether or not painted, varnished or coated with plastics or other non-metallic substances in addition to the metallic coating;
- Clad products in straight lengths of 4.7625 mm or more in composite thickness and of a width which exceeds 150 mm and measures at least twice the thickness; and
- Certain clad stainless flat-rolled products, which are three-layered corrosion-resistant flat-rolled steel products less than 4.75 mm in composite thickness that consist of a flat-rolled steel product clad on both sides with stainless steel in a 20%-60%-20% ratio.

The products subject to the investigation are currently classified in the Harmonized Tariff Schedule of the United States (“HTSUS”) under item numbers: 7210.30.0030, 7210.30.0060, 7210.41.0000, 7210.49.0030, 7210.49.0091, 7210.49.0095, 7210.61.0000, 7210.69.0000, 7210.70.6030, 7210.70.6060, 7210.70.6090, 7210.90.6000, 7210.90.9000, 7212.20.0000, 7212.30.1030, 7212.30.1090, 7212.30.3000, 7212.30.5000, 7212.40.1000, 7212.40.5000, 7212.50.0000, and 7212.60.0000.

The products subject to the investigation may also enter under the following HTSUS item numbers: 7210.90.1000, 7215.90.1000, 7215.90.3000, 7215.90.5000, 7217.20.1500,

7217.30.1530, 7217.30.1560, 7217.90.1000, 7217.90.5030, 7217.90.5060, 7217.90.5090, 7225.91.0000, 7225.92.0000, 7225.99.0090, 7226.99.0110, 7226.99.0130, 7226.99.0180, 7228.60.6000, 7228.60.8000, and 7229.90.1000.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Issues and Decision Memorandum**

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4. Margin Calculations
5. Comparisons to Fair Value
6. List of Comments
7. Discussion of Comments
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  - Comment 2: Date of Sale
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  - Comment 6: JSW's Forward Exchange Rate Contracts
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  - Comment 8: Adjustments for JSW Verification Findings
  - Comment 9: JSW's POI Material Costs
  - Comment 10: Uttam Galva's Cost of Production Minor Corrections
  - Comment 11: JSW Royalty Expense
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8. Negative Finding of Critical Circumstances
9. Conclusion

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